

**PURPOSE**

This budget provides funding for debt service payments, including bonds and lease-purchase agreements, for nonschool projects. It also provides for a contingency reserve to pay for needs caused by unforeseen events falling into three categories: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or man-made disasters; 2) Operational reserves, to provide additional funds for limited unexpected service needs; and 3) Revenue reserves, to provide limited funds to smooth fluctuations in revenues caused by changes in economic conditions. A new negative contingency has been added to capture savings created by personnel turnover

**BUDGET SUMMARY**

	FY 02 Budget	FY 03 Adopted	FY 04 Adopted
Debt Service	\$ 1,590,152	\$ 1,670,000	\$ 1,753,000
Innovation	15,000	15,000	15,000
Contingency	648,171	748,211	543,233
Contributions/Escrows:			
Economic Development Incentives	0	500,000	500,000
VDOT Road Match	0	250,000	500,000
Underground Utilities	0	510,000	540,000
Matching Funds - Bikeways	0	194,000	300,000
Housing Development Fund	0	200,000	100,000
CDBG - Water Quality	0	180,000	0
Chickahominy Resource Center	0	50,000	50,000
Neighborhood Parks	0	25,000	25,000
Contingency for School Grounds	0	326,221	335,951
Personnel Contingency	0	(421,902)	(436,231)
Total	\$ <u>2,253,323</u>	\$ <u>4,246,530</u>	\$ <u>4,225,953</u>

**BUDGET COMMENTS**

Contingency is estimated at less than one half of 1 percent of the total General Fund budget in an effort to establish a small fund for possible contingent events. Also included is a contingency for grounds maintenance for the schools of \$326,221 in FY 03 and \$335,951 in FY 04. A small reserve is continued to provide "seed" money for departments to develop approved innovation projects. The contribution to the debt service budget increases in order to invest funds for future infrastructure needs, as recommended by the County's Financial Advisor. A personnel contingency has been created to capture turnover savings.

In preparation for the accounting changes issued by the Governmental Accounting Standards Board, this budget now also includes many items that had been previously categorized in the Capital Improvement Budget. The items are capital investment in the community but do not result in a capital asset for the County.